

AUTO FIBONACCI PHENOMENON

User's manual



Karl Dittmann
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2012

Introduction

Welcome and thank you for purchasing the “Auto Fibonacci Phenomenon”. The “Auto Fibonacci Phenomenon” is a complete trading tool designed primarily to trade the FOREX markets successfully and consistently.

Important: There are many different Fibonacci indicators which can be found on the web, but they are all hard to understand and use. All them only draws common Fibonacci levels. In addition, it is still very unclear for many traders what Fibonacci retracement, r1, r2 and other levels are. The main idea of this software is to take away the decision making process associated with complex Fibonacci principles and allow you to make guided profitable trades. Our software will print BUY SELL arrows, popup and email alerts – everything you need to take advantage of Fibonacci system in automatic way! AFP is a combination of multiple advanced indicators – ALL in one: Fibonacci levels + laser accurate trend indicator + + trades commentator. This software will give you the power of a professional trader and allow you to magically trade based on Fibonacci levels without learning complicated Fibo courses and books.

“Auto Fibonacci Phenomenon” is LIKE YOU HAVE A FRIEND – PROFESSIONAL TRADER, who recommends to you when to trade and how to trade! Isn’t this every trader’s dream?

The hit rate of the indicator is about 75-85% in most currencies, and higher in the currency pairs recommended in the next chapters.

The main difference of this software is that the Auto Fibonacci Phenomenon will NOT generate a lot of signals a day as any traditional Buy/Sell software. Fibo trading works in a different way – it’s very safe entries.

We advise that you read and make sure you understand the entire system before putting it into practice. Experiment and gain experience in demo accounts before trading with your own money. If you find that you need further help or have any questions, do not hesitate to contact our technical department.

We wish you great trading success,
Karl Dittmann Team

What are Fibonacci Numbers and the Golden Ratio?

The Fibonacci sequence first appeared as the solution to a problem in the Liber Abaci, a book written by Leonardo Fibonacci in 1202 to introduce the Hindu-Arabic numerals used today to a Europe that was still using Roman numerals.

The original problem in the Liber Abaci posed the question: How many pairs of rabbits can be generated from a single pair, if each month each mature pair brings forth a new pair, which, from the second month, becomes productive.

The Golden Ratio

After the first few numbers in the Fibonacci sequence, the ratio of any number to the next higher number is approximately .618, and the lower number is 1.618. These two figures are the golden mean or the golden ratio.

Its proportions are pleasing to the human senses and it appears throughout biology, art, music, and architecture. A few examples of natural shapes based on the Golden Ratio include DNA molecules, sunflowers, snail shells, galaxies, and hurricanes.

Important Retracement Levels

The two Fibonacci percentage retracement levels considered the most important in trading are 38.2% and 62.8%. Other important retracement percentages include 75%, 50%, and 33%.

Three Profit Tips for Using Fibonacci Numbers

1. Fibonacci Defines Stop Loss Levels

A trader can use Fibonacci numbers to set stop loss orders.

For instance, if at least three Fibonacci price levels come together in a relatively tight zone, a stop loss placement just below or above the zone may be set.

A Fibonacci number helps define stops in the following way, if a trader trades against a support zone, if the support zone is violated and the price trades below that zone, the reason for the trade is negated and the position should be closed.

Setting stops using Fibonacci retracements takes the emotion out of trading and gives a pre defined exit point.

2. Fibonacci Defines Position Size

Depending on the risk you are prepared to take per trade, Fibonacci numbers can also define position size. For instance, if prices are right on a specific level, you may wish to have more positions than if the price is further away.

3. Fibonacci Defines Objectives

With Fibonacci numbers, once a pattern completes against a Fibonacci price zone you can use them to set profit objectives to bank partial profits or tighten stop loss levels. This clear objective for traders helps them to lock in profits. The great advantage of Fibonacci numbers and the golden ratio is the fact that they take the emotion out of trading and can define not only stop losses to exit a market, but also set profit objectives as well.

Installing the Software (Indicator)

IMPORTANT: If you don't have MetaTrader ® installed, please download it from this link:

http://www.alpari.co.uk/files/site_uk/000software/MT4_set_up.exe

Follow the instructions and open a demo or real account. We recommend trading the indicators on a demo account before proceeding to real accounts.

Quick start:

Downloads (unzip **afp.zip**):

1. autofibophenomenon.ex4 (software indicator)
2. autofibophenomenon.tpl (main mt4 template)
3. afp.pdf (user's manual)

Install

IMPORTANT: If you don't have MetaTrader ® installed, please download it from this link:

http://www.alpari.co.uk/files/site_uk/000software/MT4_set_up.exe

Follow the instructions and open a demo or real account. We recommend trading the indicators on demo account before proceeding to real accounts.

➔ Step 1: Copy indicator file **ex4** into your **/experts/indicators/** folder. This folder is in the folder of the MetaTrader trading platform.

Examples:

If you are using the Interbank FX Trader broker, the folder will be at
C:\Program Files\Interbank FX Trader 4\experts\indicators\

If you are using the Alpari MetaTrader broker, the folder will be at
C:\Program Files\MetaTrader - Alpari\experts\indicators

If you are using the FXDD broker, the folder will be at
C:\Program Files\FXDD – MetaTrader 4\experts\indicators\

If you can't find your **/experts/indicators/** folder, please contact our technical support.

➔ Step 2 Copy the **autofibophenomenon.tpl** into your
./experts/templates/ folder

*Template step-by-step – ignore this section if you familiar with this and go to-----
(STEP 3*

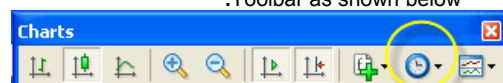
You should copy and paste the indicators from inside the file to My Computer>Local (1
Disc/C: Drive>Program Files>MT4>Experts>Indicators, -then- step 2). Copy and paste the chart
templates from inside the file to My Computer>Local Disc/C: Drive>Program
Files>MT4>Templates. (You can delete the templates already in that file as these will not be
(.required

After the above steps 1) and 2) you will have to close and re-open the charting for the
.changes to be recognised

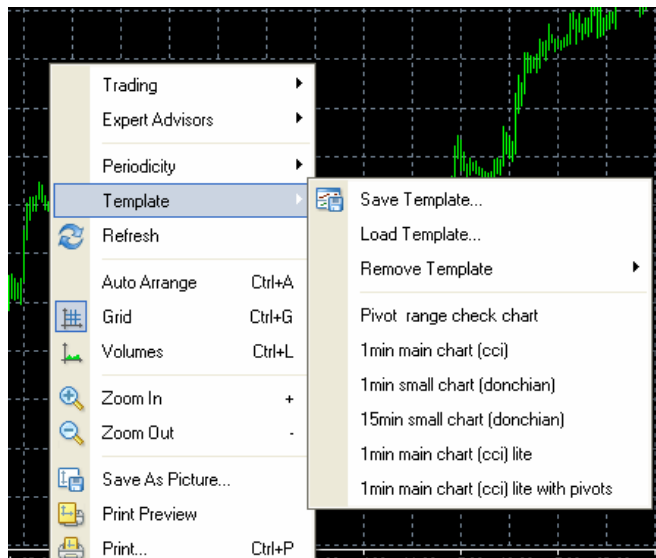
To load a chart, click the icon shown below in the Standard tool bar that should appear at...
:the top of the charting



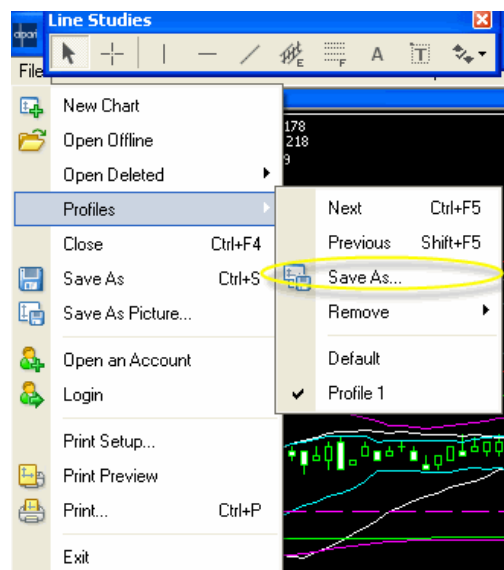
You can then alter the time frame of the chart by clicking on the *Clock* icon in the *Charts*
:Toolbar as shown below



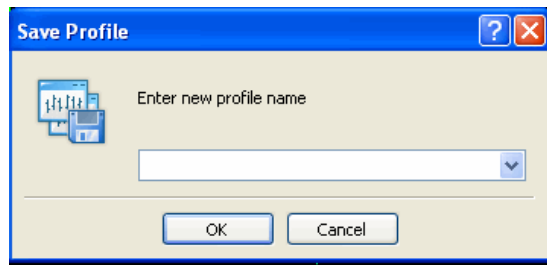
To load a template onto a chart, simply right click on the chart and a drop down menu...
appears, choose *Template* and the template you require from the subsequent drop down
:menu, as shown below



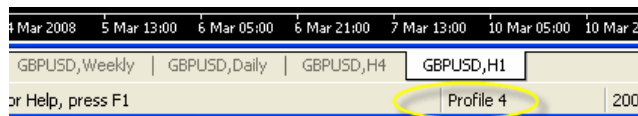
After you have loaded up all your charts with the relevant templates and time period, in... the order you want to view them, to ensure that they open like this each time you open the charting you can create and save a *Profile* by clicking on *File* in the top left hand side :horizontal menu and choosing *Profiles* and *Save As*, shown below



;When you click on *Save As*, it will bring up the following dialogue box



.Simply then name your *Profile* and click *OK*
 Now each time you open your charting it will be as you left it, and the *Profile* loaded will
 :show in the bottom fixed tool bar, as follows



:Indicators

;All indicators required form part of each Chart template, however if needed
 You can load an indicator from the *Navigator* icon in the *Standard* tool bar, by firstly



clicking on the *Navigator* icon then double clicking on the indicator you wish to load
 .from the *Navigator* list that is shown
 .Pointing to any of the icons with your mouse will bring up a small box telling you what it is
 You can alter an indicator's properties/settings or delete it by right clicking on any part of
 a chart and choosing Indicators List in the drop down menu, then double clicking on the
 indicator to bring up it's properties/settings box or single clicking/highlighting it and
 .clicking delete to remove it from that chart

There is a video showing to you how to install indicators and templates to your MetaTrader 4 platform

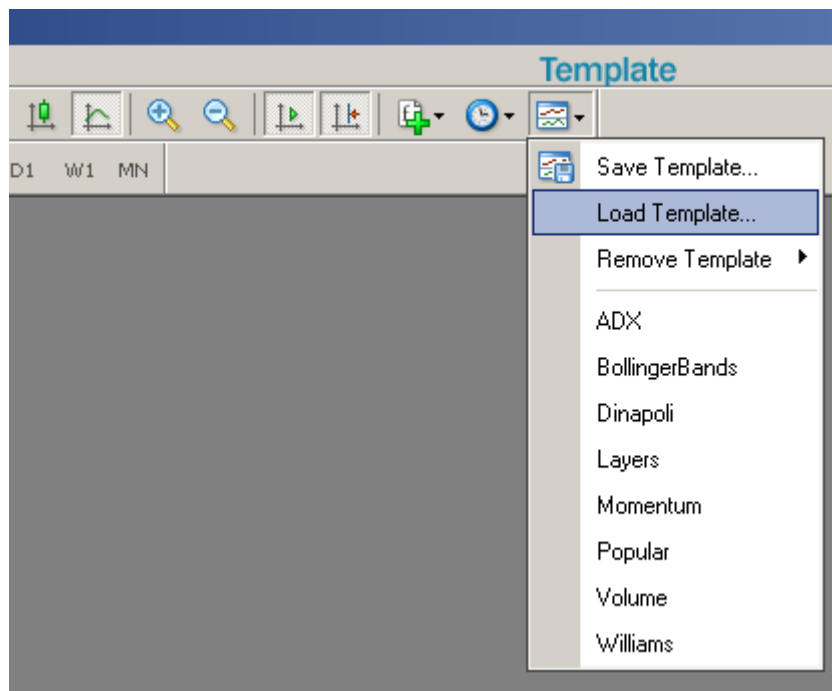
<http://www.youtube.com/watch?v=9UnQdsh72q4>

-----*END of Template help*

➔ Step 3 Open your metatrader 4

➔ Step 4 Pull a chart for any pair, for example EUR/USD (1H)

➔ Step 5 Now click template icon / load template
 and double click on **autofibophenomenon** Template. DONE!



How it works:

The software will automatically determinate a current trend and print all the information on your chart – Buy Sell Arrows + Alerts + Levels on your charts...

Current trading opportunity - entry level, stop loss level, 3 take profit levels etc...



When a trend will change – the Auto Fibonacci Phenomenon software will automatically re-print all the entries, SL, TP for a new trend.
 Example as shown on the screenshot above – current trend is UP. If a trend changes to DOWN trend - the software will automatically re-print new level for a down trend (SELL opportunity)!

Take profit – level 1 (normal)
 Take profit level 2 – aggressive
 Take profit level 3 – high aggressive

Informer: Trend indicator, Trade levels information...

Recommendations: If you are looking for 200+ pips profit a day, it is recommended to open three or four major currency pair. Then attach the software to all them and trade on all charts at the same time. This way you will increase your odds by exposing yourself to more trading opportunities!

Built-in TREND indicator

No more worries how to identify a current trend:



Entering Trades

The Auto Fibonacci Phenomenon © will show you exactly where to enter a trade, where to exit and where to put a stop loss. These levels are based on Fibonacci levels and work very well.

The Auto Fibonacci Phenomenon © **SELL signal:**

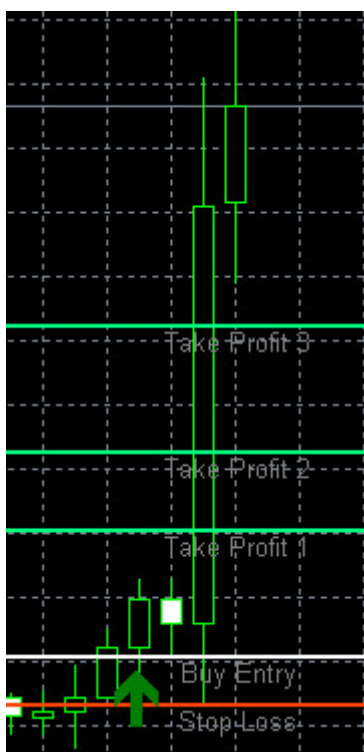
When the price reaches the recommended SELL LEVEL printed on your chart: RED ARROW = SELL SIGNAL



Make sure that the built-in Trend indicator shows DOWN trend – never trade against a trend!

The Auto Fibonacci Phenomenon © **BUY signal:**

When the price reaches the recommended BUY LEVEL printed on your chart:
 GREEN ARROW = BUY SIGNAL



Make sure that the built-in Trend indicator shows UP trend – never trade against a trend!

Trading recommendations:

Place a BUY STOP or SELL STOP (depend of a current trend) orders

and trade only ONCE when the price crosses BUY (or sell) level -

very 1st breakout only. If the price continues to move up and down (after the 1st breakout) around buy (or sell) level - no trades - wait for new trend change signal.

Sometimes you may notice “Auto Fibonacci Phenomenon” keeps switching quickly from buy to sell and back - it is a warning signal of a ranging market- stay away from trading.

Informer and levels

All the numbers can be found in the left top corner of your chart:



Stop Loss

Place your stop loss exactly where the software advises you “STOP LOSS LEVEL”

– the price of SL printed in red on your chart . Stop will be calculated and printed on your chart automatically for each new trade.

IMPORTANT: Set stop loss for all your trades and do not deviate from it. Once the trade has touched your stop loss be disciplined and close the trade. This will protect you from major capital losses.

Exiting Trades (Take Profit)

1. Option I.

Set your own profit target, for example 20 pips per trade and exit all trades as soon as you reach your profit target – do not wait until the price hits the indicator’s “profit: level normal”. This is the safest way of trading and reduces your risk level.

2. Option II

You will receive the automatic Alert Popup – TP1, TP2, TP3...

Exit trades when the price is close or touches the Auto Fibonacci Phenomenon’s “PROFIT: LEVEL” level (either 1, 2 or 3..). High aggressive level 3 is risky and should be used by experienced traders only.



Time Frames and Pairs

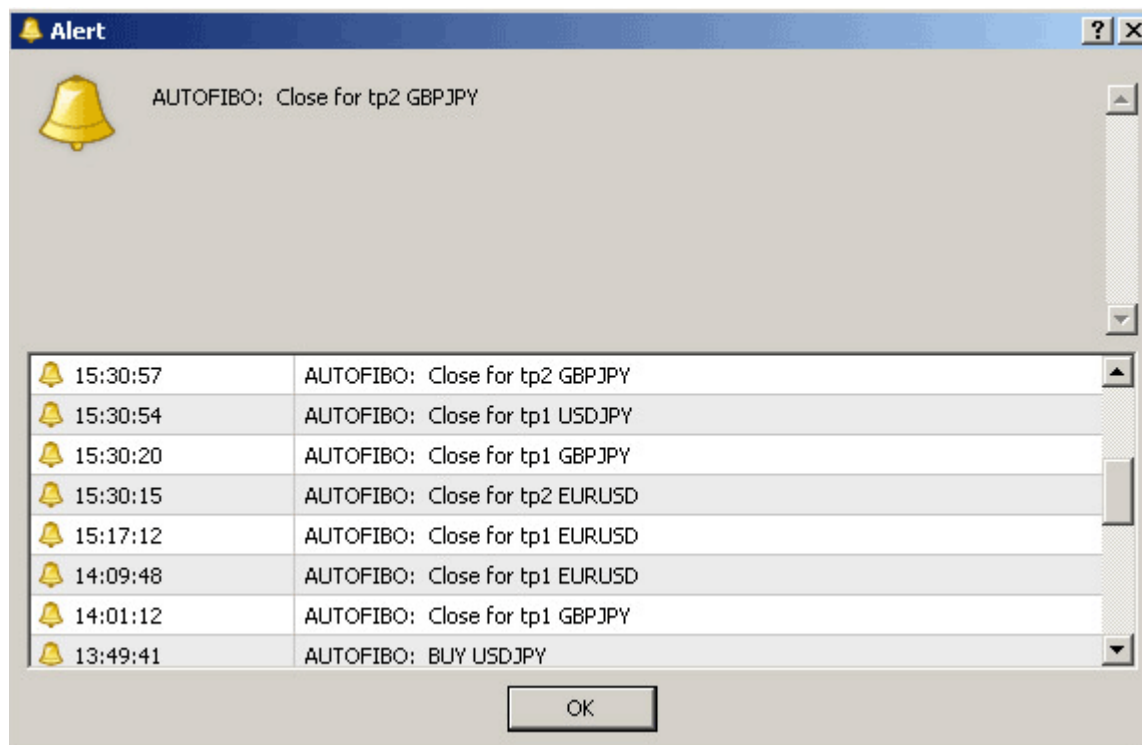
- Optimized for **1H** (you can try to use it for **M30** and **4H** timeframes)
- All major pairs. You may use it for **GBP/JPY**, EUR/USD, GBP/USD and all other major pairs. Fibonacci secret works for ANY pair!

Parameters:

You don't need to change any parameters, everything is already set by Fibonacci numbers. The only thing you could change – COLORS.

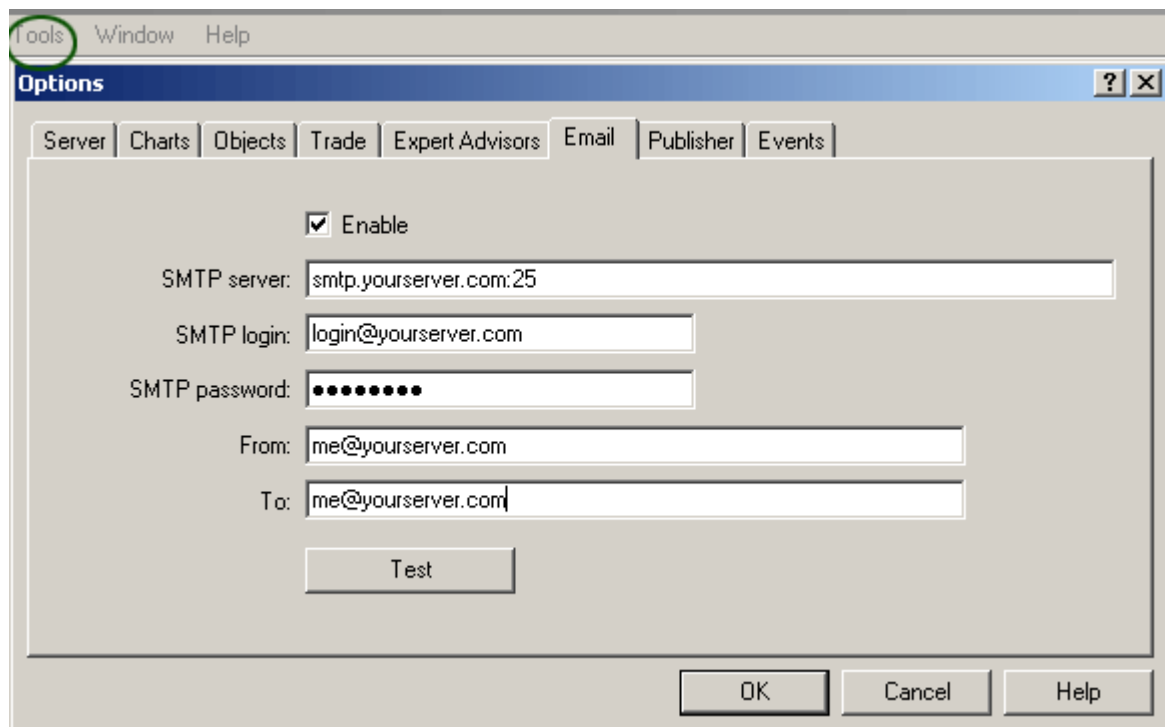
Popup Alerts

You will get an alert every time when the price touches buy or sell level, take profit 1, 2 or 3 levels



Email Alerts

Email alerts should be activated from your metatrader4 tools menu. You will get an email everytime when the price touches buy or sell level, take profit 1,2 or 3 levels. This can be enable/disable...



SELL Trade sample screenshot:



Alert



AUTOFIBO: Close for tp2 EURUSD

16:11:02	AUTOFIBO: Close for tp2 EURUSD
16:08:04	AUTOFIBO: Close for tp1 EURUSD
16:04:03	AUTOFIBO: Close for tp1 GBPJPY
15:59:58	AUTOFIBO: SELL EURUSD

OK

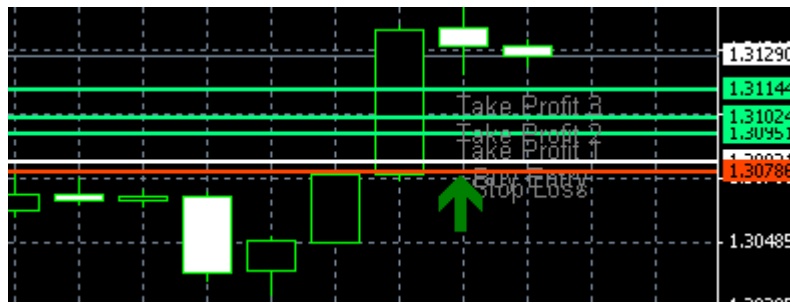
Important recommendations:

1. Use the software during ACTIVE market hours only (UK, US, ASIA sessions – not on a quiet “night” market). The best signals and guaranteed profit – UK, USA sessions.

2. Sometimes, when You just load the software, you can get a picture like the one below (and popup alert on software load). That means that there is a signal right now! You can still enter a trade! In this case the arrow will not be printed because this signal was a while ago...



3. Due to some metatrader4 internal bugs – sometime the indicator’s level looks jammed. (make sure to restart the software – EVERY DAY!) Usually it may happen if you keep the software running for 1-2 days and do not restart it... metatrader4 internal buffers getting mixed up... – hopefully it will be fixed in the further versions on mt4 developers. So don’t forget to restart the software!



Money Management

Money management is a very important concept that has an enormous effect on drawdowns and margin calls. The cardinal rule of money management is the following:

You should only risk 1-3% of your account on any single trade. You may have heard this rule hundred times before, but it is amazing to see how many good traders fail to comprehend this concept – and don't understand why they are wiped out again and again, despite great entries and timing of trades.

Karl Dittmann

February 2012